

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 6/30/2002

	As of <u>6-30-02</u>	As of <u>6-30-01</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 392,398,343	\$ 448,831,987
INTERNATIONAL EQUITIES	141,777,757	145,400,205
DOMESTIC FIXED INCOME	387,949,954	401,379,897
INTERNATIONAL FIXED INCOME	61,053,375	59,033,486
REAL ESTATE	55,871,311	67,827,059
VENTURE CAPITAL	31,750,074	40,994,755
INVESTED CASH (NOTE 1)	<u>7,720,084</u>	<u>2,975,702</u>
 TOTAL INVESTMENTS	 1,078,520,898	 1,166,443,091
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	2,210,445	4,536,242
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	73,264,448	79,537,494
DUE FROM OTHER AGENCIES (NOTE 3)	<u>0</u>	<u>0</u>
 TOTAL ASSETS	 <u><u>\$ 1,153,995,791</u></u>	 <u><u>\$ 1,250,516,827</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	683,167	793,087
SECURITIES LENDING COLLATERAL (NOTE 2)	73,264,448	79,537,494
DUE TO OTHER AGENCIES (NOTE 4)	<u>7,315</u>	<u>6,402</u>
 TOTAL LIABILITIES	 73,954,930	 80,336,983
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,170,179,844	1,232,890,945
CASH IN DURING YEAR (NOTE 5)	0	0
CASH OUT DURING YEAR (NOTE 6)	9,250,000	7,700,000
NET INCREASE (DECREASE)	<u>(80,888,983)</u>	<u>(55,011,101)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,080,040,861</u>	 <u>1,170,179,844</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 1,153,995,791</u></u>	 <u><u>\$ 1,250,516,827</u></u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Profit and Loss Statement For the Month Ended 6/30/2002

	Month Ended <u>6-30-02</u>	<u>Year-to-Date</u>
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 3,112,332	\$ 38,596,356
SECURITIES LENDING INCOME	141,048	2,054,987
	<u>3,253,380</u>	<u>40,651,343</u>
 GAIN ON SALE OF INVESTMENTS	 10,276,607	 143,311,369
LOSS ON SALE OF INVESTMENTS	<u>18,989,044</u>	<u>197,462,075</u>
 NET GAINS (LOSSES) INVESTMENTS	 (8,712,437)	 (54,150,706)
 INVESTMENT EXPENSES	 304,392	 3,607,026
SECURITIES LENDING EXPENSES	119,202	1,816,192
SIB ADMINISTRATIVE EXPENSES	<u>16,846</u>	<u>120,913</u>
 NET INVESTMENT INCOME	 (5,899,497)	 (19,043,494)
 NET APPREC (DEPREC) MARKET VALUE	 (46,314,823)	 (61,790,277)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(22,734)</u>	<u>(55,212)</u>
 TOTAL INVESTMENT INCOME	 <u>(52,237,054)</u>	 <u>(80,888,983)</u>
 NET INCREASE (DECREASE)	 <u>\$ (52,237,054)</u>	 <u>\$ (80,888,983)</u>

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Notes To Financial Statements
June 30, 2002

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **DUE TO OTHER AGENCIES**

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.